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DRAFT REPORT OF THE STANDING COMMITTEE FOR PROGRAMME MATTERS ON ITS IN-SESSIONAL MEETING HELD DURING THE SPECIAL SESSION OF THE GOVERNING COUNCIL, 16-19 FEBRUARY 1993

Addendum

Rapporteur: Mr. Thomas Stelzer (Austria)

CHAPTER III. COUNTRY PROGRAMMES AND PROJECTS (continued)

B. Arab States

Algeria

1. The sixth country programme for Algeria was introduced by the Assistant Administrator and Regional Director for the Arab States. The programme was based on four themes - three addressing socio-economic reforms and one on sustainable development. These were: employment promotion; export promotion and diversification; environmental protection; and support for socio-economic reforms. The fifth cycle net IPF allocation for Algeria totalled $9.5 million and was to be supplemented by an estimated cost-sharing of $11.1 million.

2. The representative from Algeria also made a presentation of the country programme, stressing the close relationship between UNDP and the Government, which had resulted in a substantial cost-sharing contribution.

3. Delegations lent their support to the design and objectives of the programme. On the question of coordination, satisfaction was expressed by some while more information was sought on how UNDP intended to avoid duplication with bilateral programmes. The need was expressed for further coordination in the area of environment. Support for the emphasis on macroeconomic reform was given and it was recommended that particular attention be given to priority setting while not losing sight of development problems.

4. The Committee recommended that the Governing Council approve the sixth country programme for Algeria.

Djibouti

5. The third country programme for Djibouti was introduced by the representative of Djibouti. The $3.64 million net IPF programme for Djibouti for the period 1993-1996 emphasized three areas: (a) management of the economy and promotion of the private sector; (b) development of human resources and the social sectors; (c) environmental protection and community action.

6. Delegations emphasized the importance of the private sector and the need to provide further incentives for private investment. Strong support was expressed on human resource development and water resource management. Questions were raised on how technical cooperation among developing countries (TCDC) would be implemented and on the results of the 1991 in-depth evaluation of the previous country programme. Questions were also raised on the feasibility of organizing a donor round-table meeting, given the present political upheavals, and on whether the areas of focus in the programme were too ambitious (although well chosen), given the limited IPF.

7. The Chief of Division confirmed that the promotion of the private sector was critical for the economy and that activities were being carried out to review fiscal and administrative regulations with a view to attracting foreign investments. Regarding TCDC, arrangements had been made with the Government of Tunisia to implement through UNDP a programme of cooperation using Tunisian experts in various sectors. On the round-table proposal, UNDP expressed the view that, given the present situation, the round-table exercise might not be convened in 1993, as originally planned. As regards the limited IPF resources, UNDP indicated that the present country programme would be funded by additional resources made available from other funds such as the United Nations Capital Development Fund, the United Nations Sudano-Sahelian Office and Special Programme Resources.

8. The Committee recommended that the Governing Council approve the third country programme for Djibouti.

Egypt

9. The representative of Egypt and the UNDP Resident Representative presented the fifth country programme for Egypt, which had a net IPF of $44.948 million and was focused on economic and management development and sustainable human development.

10. Nine delegations, in addition to the delegation of Egypt, commented on the country programme, noting, in particular, the focus on sustainable human development and participatory approaches; the emphasis on management development; the inclusion of support to the Social Fund and the attempt to implement priorities set out by the Governing Council and in General Assembly resolution 44/211. The programme was commended as well written and innovative and for attempting to take a strategic approach to the development challenges facing Egypt. While several delegations welcomed the use of the programme approach, there was concern that the organization of the public sector in Egypt might pose difficulties for implementing such an approach. While several delegations considered the programme to be well focused, one said it was too dispersed and concentrated its support on too many institutions. It was suggested that greater attention was needed to transfer and adapt technology for development, and to mobilize more resources, including through cost-sharing.

11. It was proposed that UNDP support to the economic reform programme should not focus on establishing new mechanisms but rather on human and social dimensions. The need for operational units was noted and one representative asked what role UNDP could play in privatization/public enterprise reform in Egypt. It was also felt that a short analysis of technical cooperation priorities in relation to support to the Social Fund was needed. The Resident Representative, in reply, said that the national programme on which the programme approach of the country programme was centred was the national economic reform and structural adjustment programme and that the issue of sustainability should not be seen only in institutional terms but also in terms of the sustainability of society as a whole.

12. The Committee recommended that the Council approve the fifth country programme for Egypt.

Lebanon

13. The representative of Lebanon and the Resident Representative introduced the third country programme for Lebanon, which had a net IPF plus carry-over of $19.01 million and estimated cost-sharing of $5 million. Those resources would be concentrated in the areas of: (a) reactivation of the public sector through support to economic management and public administration reform; (b) social reconstruction; and (c) economic revitalization through balanced development.

14. The representative of one country supported approval of the programme, noting that while the programme was ambitious the reactivation of UNDP activities in Lebanon was welcomed. It was questioned whether the programme approach was being followed and concern was raised as to whether the holding of a mid-term review in 1995 was too late, given that the programme period was for 1992 to 1996. In reply, the Resident Representative indicated that the programme approach was being introduced in a number of areas and that the mid-term review was not scheduled until the beginning of 1995, as it was taking time to build up the programme and there had been an effort to integrate the mid-term review with the end of the national emergency rehabilitation programme.

15. The Committee recommended that the Governing Council approve the third country programme for Lebanon.

C. European States

1. Country programmes

Bulgaria

16. The Director of the Division for Europe and the Commonwealth of Independent States introduced the fifth country programme for Bulgaria, which had a net IPF of $2.8 million. He highlighted the four main areas of concentration: environmental protection; support to the private sector; management development; and restructuring agricultural production and food industry.

17. He indicated that with the opening of the new UNDP office in Sofia, the opportunities for cost-sharing on projects in these key areas should be greatly enhanced and, given the limited IPF resources, it was intended to use UNDP resources as seed money for the formulation of projects likely to attract additional resources. In terms of execution modalities, he stressed that national execution would be actively applied in the implementation of projects.

18. The representative of Bulgaria expressed appreciation for UNDP assistance to his country and highlighted its importance to his country's transitional programme.

19. Three other delegates spoke in favour of the country programme. The document was found to be concise, but ambitious. It was hoped that programming activities would be catalytic but at the same time realistic. The view was expressed that the application of national execution should pose no problem for Bulgaria.

20. The Committee recommended that the Council approve the fifth country programme for Bulgaria.

Malta

21. The Deputy Director of the Division for Europe and the Commonwealth of Independent States introduced the fifth country programme for Malta, explaining that Malta had achieved net contributor status in the fifth cycle and as such had a net IPF of $700,000 for the years 1993-1996. One of the key elements was the Government's plans to share its UNDP experience and expertise gained through a number of technical cooperation among developing countries activities with other countries.

22. A question was raised concerning the level of cost-sharing activities. In reply, the representative of UNDP stressed the contribution the Government of Malta was making, both in terms of cash and in terms of support, to the national programmes, which UNDP resources were also supporting.

23. The Committee recommended that the Governing Council approve the fifth country programme for Malta.

Romania

24. The Resident Representative introduced the fifth country programme for Romania, which had a net IPF of $2 million and three areas of focus: human resources development; privatization; and environmental protection. In view of the limited UNDP resources, he indicated that UNDP was working very closely with other donors in these fields. He also made reference to a project which lay outside the three main areas of concentration and which was financed mainly by a French trust fund. The aim of the project was to design a comprehensive export promotion policy supporting the efforts of the numerous economic agents currently engaged in export activities. Systematic synergy with other United Nations agencies had also been sought for the human development dimensions of the programme - notably the United Nations Children's Fund, the World Bank, the World Health Organization and the United Nations Population Fund. In the field of democratization and human rights protection, close cooperation had been established with the United Nations Centre for Human Rights, which had undertaken an important technical cooperation programme for Romania.

25. The representative of Romania expressed appreciation to UNDP staff for the efforts made in finalizing the programme document, stressing that in view of the serious economic problems of Romania, which had been aggravated by the embargo on the Federal Republic of Yugoslavia (Serbia and Montenegro), the level of IPF resources was insufficient. Despite the difficult transition, Romania has been successful in making considerable progress in the area of privatization and small-scale enterprise development as well as in its democratization efforts.

26. Five other representatives spoke, supporting the programme and noting its limited resources, but expressing agreement on the priority areas selected. One delegation wondered whether the environment should be a priority for UNDP,

given the level of involvement of other donors in the field and stressed the need for close coordination. In response, the Resident Representative pointed to the involvement of UNDP in Global Environment Facility (GEF) projects covering the Black Sea and the Danube, key areas for Romania and for UNDP coordination efforts with national activities in this field as well as with those of external donors.

27. The Committee recommended that the Governing Council approve the fifth country programme for Romania.

2. Extensions of country programmes

Cyprus

28. The Deputy Director of the Division for Europe and the Commonwealth of Independent States introduced the extension of the fourth country programme for Cyprus. In doing so, he drew attention to the intention of UNDP to pursue an equitable distribution of resources to island-wide activities, including bi-communal activities, during the extension of the programme.

29. The Committee recommended that the Governing Council approve the second extension for one year of the fourth country programme for Cyprus.